

**TIPPECANOE COUNTY COUNCIL
TIPPECANOE COUNTY COMMISSIONERS
JOINT MEETING
MARCH 14, 2006**

The Tippecanoe County Council and Tippecanoe County Commissioners held a joint meeting on Tuesday, March 14, 2006 at Noon in the Tippecanoe Room in the County Office Building. Council members present were: President David S. Byers, Vice President Jeffrey A. Kemper, Ronald L. Fruitt, Betty J. Michael, Thomas P. Murtaugh, and Kevin L. Underwood. Commissioners present were: President John L. Knochel, Vice President Ruth E. Shedd, and Member KD Benson. Others present were: Auditor Robert A. Plantenga, Commissioners' Assistant Jennifer Weston, Attorney David W. Luhman, and Secretary Pauline E. Rohr.

Greg Guerrettaz, President of Financial Solutions and Tippecanoe County's Financial Consultant, was also present.

President Knochel called the Commissioners' Meeting to order.

President Byers called the Council Meeting to order and led the Pledge of Allegiance.

JUVENILE DETENTION CENTER: Financial Consultant Greg Guerrettaz

Mr. Guerrettaz presented cost estimates for the two options to be paid with a bond issue over 20 years:

<u>Option A:</u> Cary Home renovation & addition for girls	\$2,500,000	\$.0030 tax to fund
<u>Option B:</u> Secure Detention plus Cary Home renovation & addition (\$1.7 million annual payment on bldg) (\$125,000 AV = \$20.62/yr per homeowner)	\$20,070,000	\$.0237 tax to fund

If Option B is chosen, he thinks the only option to fund the estimated \$3 million operating costs is to seek an Income Tax increase from the Legislature. He hasn't seen another county come close to getting a Food & Beverage Tax to fund a Juvenile Detention Center, but other counties have gotten Income Tax increases for this purpose. Mr. Guerrettaz thinks the County is at least \$1.5 million short on funding the \$3 million annual operating costs.

➔ Councilmember Kathy Vernon entered the meeting.

If the Courthouse Bonds are paid off at the end of this year, Mr. Guerrettaz thinks the \$1.3 million annual budgeted payment from the EDIT Fund could be used to pay back a 5 year Income Tax Bond used to fund capital needs in the Capital Plan. In his opinion, it would be a mistake to use those incremental EDIT Funds for the Juvenile Detention Center and he thinks the County will regret it in year 5 or 10.

Commissioner Benson commented that not using EDIT monies for operating costs would help assure we won't get into trouble if a 2% cap is imposed on EDIT.

When President Knochel inquired how much a 1% Food & Beverage Tax would generate, Commissioner Benson said she thought approximately \$2 million. However, she said she is not sure our Legislators will be willing to carry legislation for a Food & Beverage Tax to fund a Juvenile Detention Center. President Knochel asked Judge Rush, who was present, if she has discussed a Food & Beverage Tax with our legislators. She said she has had good moral support from the legislators but she has never talked to them about a Food & Beverage Tax.

Mr. Guerrettaz said we need:

- Design
- Engineering & Architect's estimate on operating costs (approx \$3 mil)
- Annual payment method to meet operating costs. i.e. Income Tax increase
(There is evidence EDIT Funds have been spent 2 or 3 times already)

President Knochel asked how far the County is from being able to fund the \$3 million for operating costs. Mr. Guerrettaz said approximately \$1.5 million away which is a lot.

President Byers established with Judge Rush that juveniles will still be sent to out-of-county facilities even if we have our own facility. Auditor Plantenga said \$700,000 is budgeted in the Council's 2006 Budget for the DOC and Judge Rush confirmed that approximately 40% of the juveniles will still be sent there. Superior Court III has a \$400,000 appropriation for placements in private facilities.

Councilmember Vernon established that operating costs for Cary Home are included in the \$3 million. She asked if the County should work on Option A simultaneously with Option B which will address a portion of the need. Mr. Guerrettaz said if the County decides to do a bond, it can be done in a series. Bond counsel needs to be brought on board.

President Knochel inquired about the amount of additional operating cost for Option A, Cary Home. Mr. Guerrettaz said that amount is \$138,000 which was not built into the Auditor's Operating Plan. It was noted that approximately \$1.6 million has been set aside in EDIT for use as startup money for a Juvenile Center.

CAPITAL PROJECTS

Mr. Guerrettaz said there are capital projects that have been on the high priority list for some time and medium and low priority projects seldom move forward. Mr. Guerrettaz thinks using EDIT and Cum Cap Funds can help the County catch up with capital projects other than a Juvenile Center.

Judge Rush observed that the recent Jail expansion was decided in much less time and with fewer hurdles than the Juvenile Center. President Byers said, in his opinion, there is not the necessity since the juveniles are currently being housed and he is concerned about how the operating costs will be funded. Mr. Guerrettaz said the Jail expansion did not put that much pressure on the operations' costs. It was also pointed out that additional staffing due to the Jail expansion was never satisfied but approximately \$1 million dollars in revenue was added from housing DOC inmates.

Councilmember Kemper took exception to the concept that the County is "dragging its feet" on the Juvenile Center because it is a huge financial commitment. Attorney Luhman asserted that a Juvenile Center is a much more sophisticated project than a jail. He said pre-fabricated cells can be purchased to build a jail but the Juvenile Center will incorporate a lot more than just rooms to accommodate 28 juveniles.

GENERAL FUND OPERATING PLAN: Auditor Bob Plantenga

Mr. Guerrettaz commented that this Operating Plan is probably the only one of its kind in Indiana. He suggested adding the announcement that Toyota is coming to Tippecanoe County as a success for 2006.

Auditor Plantenga reviewed the contents of the Operating Plan:

- Challenges and Successes for Tippecanoe County
- Actual Expenditures
- Actual Revenues
- Budget Projections

- Revenue Estimates
- Property Tax Levy Growth Quotient. Following the explanation of this item, Mr. Guerrettaz warned against depending on General Fund dollars to fund Juvenile Center expenses because controls will be in place to keep property tax dollars down.
- Calculation of End of Year Cash Balance. The General Fund cash balance for 2005 is less than 20 days of working capital which Mr. Guerrettaz said is not very high. Commissioner Benson commented that our self-imposed \$2 million cushion in the EDIT Fund could help with the 20 days of working capital.
- Top Taxpayers vs All Others graph shows less reliance on one taxpayer in 2004 pay 2005 than in 2001 pay 2002.
- Juvenile Detention Debt Payoff: Unpaid Balance 2/6/06=\$0.
- Employee Insurance Costs paid by County
- PERF Percentages Employer Contributions. From approximately 4.75% in 2003 to approximately 6% in 2007.
- Distribution of Actual 2005 County General Expenditures shows 73.8% is Personnel Services.

After discussing the Capital Projects and the Operating Plan, Mr. Guerrettaz said he thinks it is time for the Council and Commissioners to decide if they want to pursue Option A or Option B.

Councilmember Byers favored pursuing Option A right away. He said the operating cost would be a wash since the girls are currently being sent to out-of-county facilities. Councilmember Kemper said this option will keep the girls closer to home.

In Commissioner Shedd's opinion, the County should begin construction on Option B and work on attaining the operating funds as it is being built. She thinks it has been discussed long enough and pointed out that construction costs will continue to increase. Councilmember Michael echoed Commissioner Shedd's comments and said that, while we are waiting, the building cost as well as the demand for more services will continue to increase.

- Commissioner Shedd moved for the Commissioners to retain an architect to design a schematic design for Option B, the Cary Home addition and the juvenile facility, and to locate a site for the juvenile facility, seconded by Commissioner Benson.

President Knochel stated he supports the motion but cautioned about moving forward without sufficient operating funds. He further stated that, if operating funds are not available by the time construction is scheduled to begin, he may withdraw his support.

Councilmember Kemper asked why not build a facility that will accommodate more than 28 beds so that we can draw in from surrounding counties for additional revenue. Commissioner Shedd the size was scaled back upon Judge Rush's recommendation and the cost of a larger facility. Commissioner Benson said the conceptual design of the facility will be similar to our Jail that has pods. Additionally, she said the consultant, Mike McMillan, recommended building a smaller facility because, if we overbuild, it will be full. If we keep the size to what we think we need, we can use our programs to treat the juveniles.

Mr. McMillan, who was in the audience, interjected that all the core support for the entire building such as schools, gym, medical services, and dining is designed to support double the initial capacity.

President Knochel asked Mr. Guerrettaz if, in his experience as a financial consultant, he has seen a county move ahead without the funds to operate a facility. Mr. Guerrettaz responded that he has but recommended forming a committee to work with legislators to seek a funding method while the Commissioners are working toward the schematic design for the facility.

- The motion carried.
- Councilmember Murtaugh moved for the President of the Council to appoint a designee and the President of the Commissioners to appoint a designee to work with the legislators regarding the funding need for a Juvenile Center, seconded by Councilmember Vernon; motion carried.

NEXT JOINT MEETING

The next Joint Meeting of the Council and Commissioners with the Financial Consultant will be held at Noon, Monday, May 1, 2006 in the Tippecanoe Room in the County Office Building.

ADJOURNMENT

Commissioner Shedd moved to adjourn the Commissioners' Meeting, seconded by Commissioner Benson; motion carried.

RECESSED

President Byers recessed the Council Meeting at 2:05 P.M.

**BOARD OF COMMISSIONERS OF
THE COUNTY OF TIPPECANOE**

John L. Knochel, President

Ruth E. Shedd, Vice President

KD Benson, Member

ATTEST:

Robert A. Plantenga, Auditor